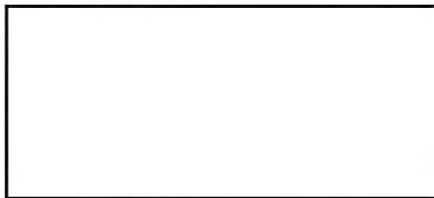
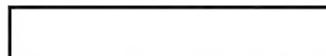


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19 May 1960



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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

19 May 1960

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DAILY BRIEF

I. THE COMMUNIST BLOC

USSR: [Khrushchev's final press conference on 18 May and the line being taken both publicly and privately by other Soviet spokesmen in Paris are designed to give the impression that while the Soviet premier, for the foreseeable future, will vigorously press his bitter anti-American campaign on the U-2 issue, he does not intend to make any sharp reversals in the other major lines of his foreign policy.]

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*This point was echoed by Yuriy Zhukov, chairman of the State Committee for Foreign Cultural Relations. Khrushchev, Gromyko, and Zhukov all seemed to assume that negotiations on disarmament and a nuclear test ban would continue. Zhukov indicated that Khrushchev had played "this one by ear," that even those in his own retinue did not know what he might do from one minute to the next, and that a central committee meeting and a subsequent bloc conference were virtual certainties.]

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Turkey: The prestige of Prime Minister Menderes is at an all-time low in Istanbul, and opposition elements there have gained a new sense of confidence. [REDACTED]

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South Africa: The South African Government apparently intends to maintain its present authoritarian policy, despite mounting criticism within the country's white community. In parliament on 16 May, Justice Minister Erasmus refused to yield to vociferous opposition demands that the seven-week-old state of emergency be lifted, stating that the emergency regulations must remain in force at least

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DAILY BRIEF

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until 20 alleged Communists who are fugitives in neighboring British-controlled territories are returned to the Union. The American Embassy in Cape Town notes an increasing government tendency to blame the recent disturbances on Communist agitation. [REDACTED]

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OK New Zealand: [Prime Minister Nash's 13 May statement that the Commonwealth conference in London generally recognized "the early need for Chinese participation in disarmament measures" suggests that he may be contemplating recognition of Communist China, partly to fulfill a pledge of the Labor party 1957 platform, before the next elections in November. Nash, however, would presumably seek some prior consultation with New Zealand's principal allies, inasmuch as he considers recognition a question of timing, and would seek to avoid any timing damaging to Western prestige.] [REDACTED] (Page 7)

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OK South Vietnam: [The Diem regime, while outwardly ignoring the much-publicized "manifesto" for democratic reforms issued in Saigon recently by a group of former officials, is maneuvering to head off more serious criticism. The government is taking pains to retain the loyalty of student elements, and has instigated a smear campaign in the press against the opposition group, labeling it "foreign inspired." Diem apparently plans more direct repression, but is withholding action until he can calculate international reaction.] [REDACTED]

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III. THE WEST

OK Cuba - Communist China: Castro's former minister of finance is reported to have commented privately on 16 May that the Cuban Government is "under heavy pressure" to recognize Communist China immediately and that he felt the move is imminent. Many regime officials are sympathetic to the Chinese Communists. Cuban Armed Forces Inspector General William Galvez Rodriguez recently had two audiences with Mao Tse-tung. According to the New China News Agency, Galvez said in Peiping on 12 May that the Cuban people want to intensify their "intimate relationship" with the Chinese people and to unite with them "in opposition to the imperialists of the US." [REDACTED]

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IV. WATCH COMMITTEE CONCLUSIONS

[On the basis of findings by its Watch Committee, the United States Intelligence Board concludes that:]

- A. [No Sino-Soviet bloc country intends to initiate hostilities against the United States or its possessions in the immediate future.]
- B. [No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the orbit in the immediate future.]

[Applicable to both above conclusions:]

[With respect to the breakup of the summit conference, no Soviet bloc military activity has been detected which conveys threatening implications.]

- C. [The following developments are susceptible of direct exploitation by Soviet/Communist hostile action which could jeopardize the security of the US in the immediate future:]

[The Situation Regarding Berlin and East Germany]

[While there are no indications that the Soviet Union intends in the immediate future to turn over Berlin access controls to the East German regime, there are indications that the USSR will increase pressure on the West with regard to the Berlin issue, including specific steps toward a separate peace treaty with East Germany.]

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DAILY BRIEF

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I. THE COMMUNIST BLOC

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Khrushchev's Post-Summit Policy

[Khrushchev's 18 May press conference suggests that he will vigorously press his bitter anti-American campaign in an attempt to brand the United States as responsible for preventing a summit meeting. Moscow has already requested an urgent meeting of the UN Security Council and will probably also keep the issue alive with the trial of the American pilot.]

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[However, Khrushchev's extemporaneous remarks on other East-West issues.]

[] are designed to give the impression that Moscow does not intend to make any sharp reversals in the other major lines of its foreign policy. []

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[] dealt with the disarmament and nuclear test ban conferences in a manner which implied that they expected the negotiations to continue. Khrushchev warned, however, that the USSR would resume nuclear testing if the United States did so and that Moscow would not tolerate "procrastination" on disarmament.]

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[Yuriy Zhukov, Soviet cultural relations leader, confirmed the general line taken by Khrushchev []]

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[on future Soviet policy, saying that "neither side would wish to push tension to a point which would make a later meeting impossible," and that the disarmament and test-ban conferences and the cultural exchange program should "go forward.")

[Zhukov said the USSR had felt even before the U-2 incident that the Americans were reneging on "previously given assurances of a desire to achieve a mutually satisfactory Berlin settlement." He maintained that in the U-2 incident the USSR had given the United States "several possible outs" but American statements closed these "escape hatches" one by one.]

[Both Zhukov and a Pravda correspondent expressed doubt that the USSR now would act unilaterally on Berlin, but Zhukov added, "I'm not a gypsy." Zhukov gave the impression that the USSR had been led to expect greater flexibility in the US position in Berlin.]

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Soviet-Iraqi Relations Continue Slow Decline

[The USSR and Iraq are "not as close as they were a few months ago" and Soviet leaders are increasingly less well disposed toward Qasim. [REDACTED]

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[REDACTED] This conclusion is in line with growing signs that, while Moscow and Baghdad remain officially on good terms and bloc aid programs have not been affected, relations have slowly declined as a result of the Qasim regime's moves against Iraq's Communists and indications that Baghdad would like to improve its ties with the West. The visit to Iraq of First Deputy Premier Mikoyan in early April failed to counter these trends.

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Moscow is particularly irritated over Qasim's efforts to split Communist ranks by his continued backing of a splinter group which was licensed in February as the "Communist party of Iraq." This group, which is having difficulty in developing even a rudimentary political machine, was recently given a six-month extension to fulfill Iraqi legal requirements for calling a party convention. The Qasim government has also continued to refuse to give recognition to the Moscow-backed Communists as a legal party.

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[REDACTED] During the past few weeks Qasim has placed anti-Communist officers in command of several air force squadrons, and the influence of the pro-Communist commander of the air force, Brig. Jalal al-Awqati, has been curtailed. Baghdad has also recently allowed two anti-Communist papers, which had been previously closed down, to resume publication. Both are strenuously attacking Communists. [REDACTED]

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II. ASIA -AFRICA

Turkish Internal Situation

The prestige of Turkish Prime Minister Menderes' regime is reported at an all-time low in Istanbul, and articulate opinion now is described as "universally anti-Menderes." Opposition elements in the Republican People's party (RPP), the press, and the universities, according to the American consul general in Istanbul, are confident of their ability to resist and ultimately defeat the government.

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Meanwhile, business is reported at a standstill in Istanbul, with businessmen uncertain about the future and general services totally dependent on continuation of martial law. The city's return to normal police control, the reopening of the universities, or the re-establishment of a relatively free press would result in new and probably more violent disorders, according to the consul general.

The army on the surface is maintaining its traditional role of aloofness from internal politics, but there are increasingly frequent reports of intervention by senior army officers to restrain the police or government from excessively repressive measures. Many junior and middle-grade army officers, described as economically dissatisfied, are believed sympathetic to the opposition.

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South Africa to Continue Authoritarian Policies

The South African Government apparently intends to maintain its present authoritarian policy, despite mounting criticism within the country's white community. In parliament on 16 May, Justice Minister Erasmus refused to yield to vociferous opposition demands that the seven-week-old state of emergency be lifted. He said that 157 Communists were behind the recent disturbances and that 20 of these leaders had escaped to neighboring British-controlled territories. He said that the emergency regulations would remain in effect at least until the agitators were returned to the Union for trial.

Conservative members of the ruling Nationalist party have renewed their campaign to establish closer control over the opposition press. A leading Nationalist member of parliament warned on 16 May that the government "will have to be prepared either to close down newspapers or at least summon those responsible for them and tell them what is expected of them." This statement brought an immediate denial from Interior Minister Naude, a relatively moderate Nationalist.

Although Prime Minister Verwoerd may move to moderate some of the harsher aspects of apartheid when he resumes leadership of the government, the Nationalists have shown no indication of letting up in their drive to suppress the "agitators and gangsters" whom they consider responsible for the riots last March. Since conservative Nationalists usually characterize the opposition press and relatively liberal political parties as "agitators," pressure on these groups may be increased. In addition, the American Embassy in Cape Town notes an increasing tendency--typified by Erasmus' 16 May statement--to blame the recent disturbances on Communist agitation.

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[REDACTED]

New Zealand Prime Minister Possibly Considering Recognition
Of Red China

[New Zealand Prime Minister Nash's 13 May statement that the Commonwealth conference in London generally recognized the need for Communist China's participation in disarmament measures suggests that he may plan, before New Zealand's national election in November, to fulfill a pledge in the Labor party's 1957 platform to recognize the Peiping regime. He stated that the policy of keeping China "at arms length is one of diminishing returns and may not be in the best interests of our peace and security...."]

[Nash may feel that such a move would lessen current East-West tensions, at least in the disarmament field. During his visit to the USSR in April, Nash praised Khrushchev's disarmament policies, and his generally laudatory comments on the Soviet internal situation raised considerable speculation in Wellington that he might follow up his trip with a policy shift toward Peiping.]

[Although there is comparatively little opposition in New Zealand toward either recognition of Communist China or its admission to the UN, Nash has justified postponement of the move as a question of timing and in deference to the United States' position. Responsible New Zealand officials have repeatedly asserted that Nash would take no steps without prior consultation with New Zealand's principal allies, and the prime minister presumably would be reluctant to take action damaging Western prestige following upon the collapse of the summit conference.]

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South Vietnam Government Maneuvers Against Local Critics

[The Diem regime, despite a show of unconcern, realizes that the much-publicized "manifesto" for democratic reforms issued in Saigon last month by a group of former officials and civic leaders could lead to more serious criticism. The government accordingly is taking immediate steps to bolster its prestige, while seeking to stigmatize its critics before popular opinion. Thus far, however, the widespread public discontent over the government's authoritarian excesses has taken no organized form.]

[With the recent events in South Korea in mind, the government is turning particular attention to student elements, and has decided on an organizational program designed to assure their loyalty. At the same time, under the pretense of protecting the public against hoodlums, authorities reportedly have already arrested a number of youths suspected of antigovernment sentiment.]

[The Vietnamese press, apparently at government instigation, is characterizing the small opposition group as "foreign inspired." Stressing that the group's press conference was held before "foreign journalists" in a "foreign hotel"--Air France's elegant Caravelle in Saigon--editorials in progovernment papers have warned that this reliance on foreigners would lead to loss of Vietnamese sovereignty if the group had power.]

[The government apparently is considering more direct repression of the group, which has just applied for registration as a legal opposition party. Ngo Dinh Nhu, President Diem's brother and political adviser, has described the group's public criticism as illegal, and has stated that the government has little choice but to apply the law. Thus far, however, the government has maintained an official silence on the matter, with Diem taking stock of international reaction--particularly American--before showing his hand. In a rare presidential press conference held recently, Diem stated that "critics are always acceptable provided they are fair and impartial."]

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The Under Secretary of State
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